

allows the public to access and monitor the information disclosed by consultants thereby removing impediments to and perfecting the mechanism of a free and open market in municipal securities.

#### *Date of Effectiveness*

As requested by the Board, the proposed rule change will become effective on April 1, 2000, beginning with the reports for the second quarter of 2000 (*i.e.*, reports required to be sent to the Board by July 31, 2000). Dealers will be required to disclose their consultants' reportable political contributions and reportable political party payments for the second quarter of 2000 and include, pursuant to the six-month look-back, reportable political contributions and reportable political party payments since October 1, 1999, where appropriate.

#### **V. Conclusion**

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act,<sup>18</sup> that the proposed rule change (SR-MSRB-98-08), as amended, is approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>19</sup>

**Jonathan G. Katz,**

*Secretary.*

[FR Doc. 99-32271 Filed 12-13-99; 8:45 am]

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## **SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-42207; File No. SR-NASD-99-70]

### **Self-Regulatory Organizations; Notice of Filing of a Proposed Rule Change by the National Association of Securities Dealers, Inc. To Establish a Fee for Historical Research and Administrative Reports Provided Through Nasdaq's Web Sites**

December 8, 1999.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on November 24, 1999, the National Association of Securities Dealers ("NASD" or "Association"), through its wholly owned subsidiary, Nasdaq Stock Market, Inc. ("Nasdaq"), filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and

III below, which Items have been prepared by Nasdaq. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

#### **I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change**

Nasdaq proposes to amend NASD Rule 7010 to establish a fee for historical research and administrative reports provided through Nasdaq's web sites. Below is the text of the proposed rule change. Proposed new language is in italics.

Rule 7010 System Services

(a)-(p) No changes

(q) *Historical Research and Administrative Reports*

*The charge to be paid by the purchaser of separate Historical Research and Administrative Reports, shall be as follows:*

(1) *Daily Detailed Reports—\$7 per day, per security and/or market participant for reports containing 15 fields or less. \$15 per day, per security and/or market participant for reports exceeding 15 fields.*

(2) *Summary Level Activity Reports—\$25 per report.*

(3) *Administrative Reports—\$25 per user, per month.*

\* \* \*

#### **II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change**

In its filing with the Commission, Nasdaq included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. Nasdaq has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

##### *A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change*

##### **1. Purpose**

*Historical Research Reports.* Nasdaq proposes to establish a fee which it will charge to investors who request historical research reports pertaining to Nasdaq, Over-the-Counter Bulletin Board ("OTCBB") or other Over-the-Counter ("OTC") issues. Nasdaq has provided such reports on an ad hoc basis to customers requesting this information by telephone. Investors would contact a member of Nasdaq's

staff via telephone, describe the type of customized report desired, and arrange for an appropriate billing and delivery method before having the Nasdaq staff member compile the report. Charges for these reports were based on hourly rates relative to the time required for compilation and delivery of the reports. Nasdaq believes the system was an inefficient and time consuming arrangement that was both burdensome to Nasdaq and an impediment to the accessibility of the information for the investor.

As the number of individual investors in today's market directing their own investment decisions has increased significantly, the volume of requests for this information also has increased. To alleviate the demand upon staff resources and increase the quality, speed and availability of the information, Nasdaq has developed an automated request and delivery system that will facilitate the delivery of these reports in a timely and systematic manner at a fixed price, based on a standardized pricing methodology. Investors will be able to access the reports through the Internet on the NasdaqTrader.com (for Nasdaq issues) and OTCBB.com (for OTCBB and other OTC issues) web sites (or their successor sites), by directing an Internet browser to the appropriate web site. Once at the proper location within the web site, investors would choose from a list of standardized reports, input the necessary information pertaining to the desired security or market participant, and provide credit card information for payment.<sup>3</sup> Once completed, the report would be sent via e-mail directly to the investor.

Nasdaq proposes to provide historical research reports that fall into two categories: "Daily Detailed Reports" and "Summary Level Activity Reports." Examples of Daily Detailed Reports include a Market Maker Price Movement Report (displays all market maker quote changes and the best bid and offer throughout a chosen day for a selected security), and a Time and Sales Report (provides a record of media-reported trades in the selected security, indicating the reported time, price and share volume). Summary Level Activity Reports would provide trade and/or quote information over a monthly or quarterly period.

Fees for the Daily Detailed Reports would be sent on a two-tiered basis to reflect the amount of information provided. Nasdaq proposes to assess a fee of \$7 for reports with 15 or fewer

<sup>3</sup> Credit card information will be provided utilizing a secure web site connection.

<sup>18</sup> 15 U.S.C. 78s(b)(2).

<sup>19</sup> 17 CFR 200.30-3(a)(12).

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

fields of information<sup>4</sup> for each trading day requested.<sup>5</sup> Those reports with more than 15 fields would cost \$15 per trading day of information. Some reports may be available for purchase on a single day basis, while others may be available only as multiple-day packages with a corresponding charge based on the number of days provided. Fees for Summary Level Activity Reports would be fixed at \$25 per report.

Nasdaq believes that this pricing structure is a suitable assessment method that will facilitate the creation of an inexpensive and effective service for investors. Furthermore, Nasdaq has been testing this product and the Internet delivery system (on OTCBB.com) for several months by providing selected reports to investors at no charge and has found a high level of satisfaction and interest among investors for their continued availability.

**Administrative Reports.** This second category of reports available through NasdaqTrader.com and/or OTCBB.com, termed "Administrative Reports," will be available to NASD member firms only. These reports are generally composed of firm specific information which is currently provided on an informal basis. One example of this group of reports is the "SEC 31(a) Report" which provides member firms with the number of trades transacted on a daily basis and the anticipated SEC 31(a) fees that will be assessed at the end of the month. Another proposed report that could be provided would estimate the total Nasdaq monthly transaction fees for the member firm based on the firm's historical volume.

These Administrative Reports would assist members in auditing their own internal systems, verifying back-end processing, and projecting monthly costs. The reports, which are provided presently by Nasdaq in CD ROM form, would be available through this secure web site connection in a more cost-effective and timely manner. Subscribing member firms would be charged a \$25 fee per user, per month, for access to each administrative report.<sup>6</sup>

<sup>4</sup> Examples of fields, depending on the type of report chosen, could include reported volume, reported price, reported time, inside bid/ask, short sale indicator, etc.

<sup>5</sup> For example, an investor requesting a report containing 12 fields of information for a three trading day period would be charged \$21.

<sup>6</sup> After assessing the demand for this service, Nasdaq may offer volume discounts to purchasers of multiple reports if such discounts are determined to be economically feasible.

## 2. Statutory Basis

Nasdaq believes that the proposed rule change is consistent with the provisions of Section 15A(b)(5)<sup>7</sup> and (6)<sup>8</sup> of the Act. Section 15A(b)(5) requires the equitable allocation of reasonable fees and charges among members and other users of facilities operated or controlled by a national securities association. Section 15A(b)(6) requires rules that foster cooperation and coordination with persons engaged in facilitating transactions in securities and that are not designed to permit unfair discrimination between customers, issuers, brokers or dealers. Nasdaq believes that this service involves the implementation of reasonable fees, assessed only to users utilizing the service, while providing beneficial information to subscribers on a non-discriminatory basis.

### *B. Self-Regulatory Organization's Statement on Burden on Competition*

Nasdaq does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

### *C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants or Others*

Written comments were neither solicited nor received.

## III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Within 35 days of the date of publication of this notice in the **Federal Register** or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the NASD consents, the Commission will:

A. by order approve such proposed rule change, or

B. institute proceedings to determine whether the proposed rule change should be disapproved.

## IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW,

<sup>7</sup> 15 U.S.C. 78o-3(b)(5).

<sup>8</sup> 15 U.S.C. 78o-3(b)(6).

Washington DC 20549-0609. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Room. Copies of such filing will also be available for inspection and copying at the principal office of the NASD. All submissions should refer to file number SR-NASD-99-70 and should be submitted by January 4, 2000.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.<sup>9</sup>

**Jonathan G. Katz,**  
Secretary.

[FR Doc. 99-32368 Filed 12-13-99; 8:45 am]

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## DEPARTMENT OF TRANSPORTATION

### Office of the Secretary

### Aviation Proceedings, Agreements Filed During the Week Ending December 3, 1999

The following Agreements were filed with the Department of Transportation under the provisions of 49 U.S.C. 412 and 414. Answers may be filed within 21 days of date of filing.

*Docket Number:* OST-99-6560.

*Date Filed:* November 29, 1999.

*Parties:* Members of the International Air Transport Association.

*Subject:* PTC31 N&C/CIRC 0101 dated 26 November 1999, Expedited Circle Pacific Resolution 002bb, Intended effective date: 15 January 2000.

**Dorothy W. Walker,**  
*Federal Register Liaison.*

[FR Doc. 99-32345 Filed 12-13-99; 8:45 am]

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## DEPARTMENT OF TRANSPORTATION

### Federal Aviation Administration

### Draft Advisory Circular (AC) 91-XX, Altimeter Errors At Cold Temperatures

**AGENCY:** Federal Aviation Administration (FAA), DOT.

**ACTION:** Notice of availability and request for comments.

<sup>9</sup> 17 CFR 200.30-3(a)(12).